



Myron Burr
Sr. Mgr. EHS

Siltronic Corporation
7200 NW Front Avenue M/S, 50
Portland OR 97210-3676, USA
Tel. 503-219-7832
Fax 503-219-4121
myron.burr@siltronic.com

2016-04-22

VIA E-MAIL

Harold R. Moore III
Nationwide Indemnity Company
Environmental Claim Unit
94 Lake Street
Salem, NH 03079

Re: **Siltronic Corporation's Independent Counsel Fees**
Siltronic Corporation v. Employers Insurance Company of Wausau, et al.
USDC Case No. 11-CV-1493-ST
Our File No. 46454-38912

Dear Harold:

On March 31, 2016, the Court issued its Opinion and Order ruling on several issues Wausau brought before it. On the issue of Siltronic's entitlement to "independent counsel", consistent with Oregon law and Siltronic's longstanding position, the Court found that Wausau must reimburse Siltronic the amount actually incurred for this service since June 2013 when this law was enacted, and continue to fund such expenses going forward as its ongoing contractual obligation.

After conducting an internal accounting, the amount that Siltronic has incurred since June 2013 for its independent counsel totals \$626,307.50. Siltronic demands immediate reimbursement of this amount, and Wausau's written commitment to reimburse future such independent counsel expenses after they are incurred and demand is made.

Demand is hereby also made for immediate payment of the unreimbursed NRDA Phase 2 payment in the amount of \$90,277.78, per the same Opinion and Order.

Finally, Siltronic demands that Wausau recompute its exhaustion analysis in light of the Opinion and Order, in particular but not limited to adjusting Wausau's analysis to take into account the Court's characterization of the "LWG Fund Payment" of \$49,920 as defense.

Please let me know no later than April 28, 2016, when Siltronic can expect to be reimbursed for these amounts and receive the new analysis. In addition, if Wausau has a process in place for Sil-

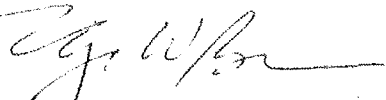


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tronic to submit its future independent counsel expenses on a going-forward basis, please let me know that as well.

Best regards,

Siltronic Corporation



Myron Burr, PE
Sr. Manager EHS

cc: Christopher L. Reive
Robert Horkovich
Bryan M. Barber
W. David Campagne
Steven Soha
Gary V. Abbott